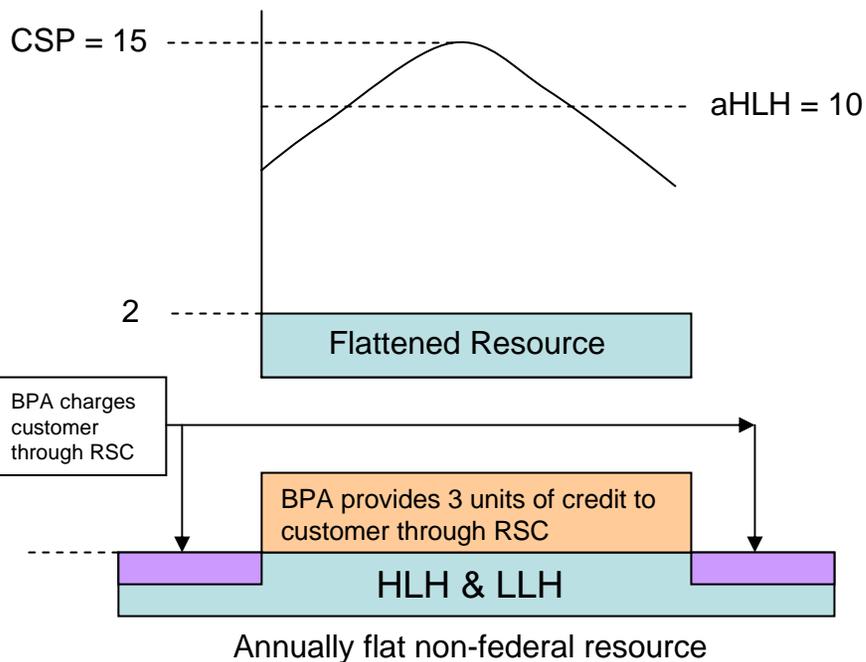


Whiteboard example from January 29th RSS workshop

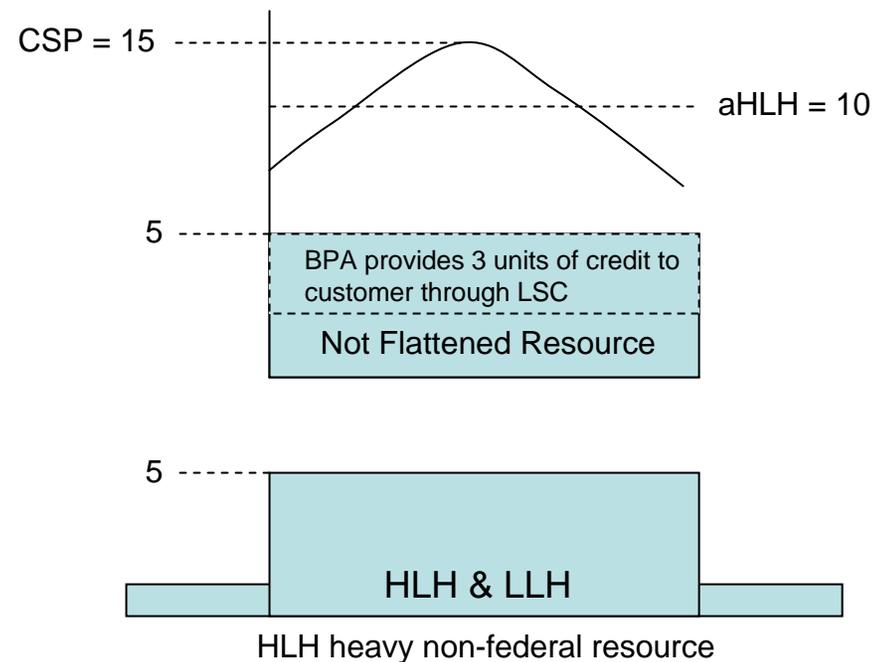
Question: Does financially flattening a customer's resource take away capacity value. Answer: No, the billing determinant for Tier 1 demand is only a measure of peak above average. The customer receives \$s through the RSC and observes no change in their Tier 1 billing determinant. Otherwise, the \$s would be received through the Load Shaping Charge. Since the RSC and the LSC have the same rates, the customer is indifferent between treatments.

HLH



Tier 1 demand billing determinant
 (ignoring CDQ and GSP/CSP adjuster)
 Tier 1 CSP minus Tier 1 aHLH energy
 13 minus 8 = 5 billing demand
 Value of extra HLH energy received through Resource Shaping Charge.

HLH



Tier 1 demand billing determinant
 (ignoring CDQ and GSP/CSP adjuster)
 Tier 1 CSP minus Tier 1 aHLH energy
 10 minus 5 = 5 billing demand
 Value of extra HLH energy received through Load Shaping Charge.